

CITY OF MORGAN HILL
SPECIAL AND REGULAR REDEVELOPMENT AGENCY MEETING AND
SPECIAL CITY COUNCIL MEETING
MINUTES - OCTOBER 24, 2001

CALL TO ORDER

Mayor/Chairman Kennedy called the special and regular meeting to order at 5:30 p.m.

ROLL CALL ATTENDANCE

Present: Agency/Council Members Carr, Chang, Sellers, Tate and Mayor/Chairman Kennedy

DECLARATION OF POSTING OF AGENDA

City Clerk/Agency Secretary Torrez certified that the meeting's agenda was duly noticed and posted in accordance with Government Code 54954.2.

City Council Action

WORKSHOP

1) COMMUNITY INDOOR RECREATION CENTER UPDATE

Deputy Director of Public Works - Engineering Struve presented the staff report to the Council/Agency members. He introduced Laura Livingston, Sports Management Group; Janet Tam, Noll & Tam Architects, and Larry Versaw, Public Works/Engineering employee-Contract Project Manager.

Janet Tam of Nolan & Tam Architects made a presentation of the community wish list items, and the costs involved in meeting these requests. She noted that, because of budget constraints, it probably won't be possible to incorporate everything on the wish list, but she has worked with local community groups to set priorities for different ideas. Workshop meetings were held with seniors, youth and the general public to determine the priority of items requested for inclusion in the design of the Community Center. She indicated that there were a limited number of individuals that participated in the workshops.

Mr. Struve reported that questionnaires with a letter of explanation, in both English and Spanish, have been distributed to all neighbors in the area. The questionnaire asks community members what their priorities would be for a community center.

Ms. Tam reviewed the items on the wish list display boards. Some of the items that the community participants would like to see in the Community Center were as follows:

- ▶ Seniors: meal program, multi purpose room, senior offices, computer room, aerobics exercise area, game room, and an indoor therapy pool.
- ▶ Youth: juice bar, gymnasium, computer lab, youth lounge, study room, rock climbing area, and gymnasium.

Some of these facilities would be dedicated by age group, and others would be shared by youth and seniors. There was interest in inter-generational contact in certain areas, such as the computer room. Other areas

were preferred to be kept separate, such as the lounge areas and game rooms. There was discussion of having separate entrances for youth and seniors. Participants expressed a desire that the City make sure that projects constructed in the other areas of the park are compatible (i.e., tennis courts would require locker space in Center.) Also, did not recommend duplication of items in various facilities.

Ms. Tam then discussed project costs as listed in the handouts she prepared for the Agency/Council Members. She presented various levels of construction and expense that included basic, mid-level, and high level cost and construction features. Her presentation included costs per square foot, and estimated cost escalation indexed to start construction in Summer 2002.

Mayor Kennedy delayed start of Closed Session until 6:45 p.m. to continue the discussion on this subject.

Council Member Tate questioned possible overlap of services/activities of this project with Community/Cultural Center. He expressed concern about competition between facilities and duplication of services. He felt the City is already doing a lot for the youth in the community and wants this project to place a higher priority on the needs of seniors. His second priority would be on the types of things that can be shared, and that the third priority should be uses dedicated for youth. He suggested that the Council consider the possibility of phasing in youth activities at a later date

City Manager Tewes requested that the Council indicate whether it wants to continue the current aggressive schedule that they set for the design of the Community Indoor Recreation Center. He asked what questions and issues they want addressed before they make a decision on November 28. He noted that the decision on who will be contracted to operate this facility will impact the decision on who will design the facility.

Mayor Kennedy indicated that the City's original plan would have placed everything in the Community and Cultural Center at Monterey Road and Dunne Avenue. When it became apparent that the site would be too small to accommodate everything the community wanted, they acquired the site adjacent to Community Park to be able to provide those things that would not fit in the Community and Cultural Center site. He would favor a phase-in approach, leaving open the option to expand, doing what can be done with funds available and designing the building in such a way that it can be added to later once additional funds are secured. He supported the inclusion of the highest priority items in Phase 1, and add other items at a later date. He felt that a gymnasium is an important part to the center as it was cut from the Community and Cultural Center design. He agreed that the City needs to meet the seniors' needs, but wants to be able to do both. He acknowledged that the budget is limited, but believes phasing would solve the problem and eventually meet all needs.

Council Member Sellers stated that he likes the idea of phasing, but is cynical about future funding availability. He expressed concern that the City may not have the opportunity to come back at a later date and build other phases. He felt that the aquatic portion is very important because this need is not being met in the community. He wants to make sure that the City does not duplicate what is included in the Community and Cultural Center. He suggested that the lap pool be included as part of the aquatic center. He recommended that the City be careful in dedicating portions of facilities to certain age groups because they may not be used as much as they could be. Also, of concern are costs being/becoming higher than they need to be. He recommended that the cost recovery components be explored so that the facility can help pay for itself.

Ms. Tam indicated that costs could be reduced if the City can obtain donations toward the construction and furnishings of the facility as other cities have done.

Council Member Sellers stated that he did not want the project's costs to escalate.

Mr. Struve displayed photographic boards of different facilities for Council Members' review.

Because the scheduled time for the workshop had expired, the Mayor asked to continue this item until 7:00 p.m., after the closed session, so other Council Members can be able to express their thoughts.

Council Member Carr expressed concern about the unclear priorities of the City Council on projects. Also, of concern is the possibility of duplication of facilities with the Community and Cultural and Aquatic Centers. He did not want these facilities to compete against each other, and felt that the Council needs to step back and clarify priorities (does not want to go above budget and lose the possibility of future visioning projects). He expressed concern that the Council is trying to move quickly on this project, even though it was the direction given to staff. He wanted to clarify what the models were based upon, what the city wants to build, and what services the city wants to provide. He noted that this item is scheduled for Council review on November 28 and that he is concerned about meeting this time schedule. He recommended that the Council move scheduled decision dates back so the Council can make good decisions and not end up with facilities that compete with each other for revenue.

City Manager Tewes asked the Council to consider the question of whether they want to build a building and find an operator, or find the operator and then build a building that is built to the needs of the operator. The current approach has been to determine the community's needs and then decide whether the City will hire an outside operator or have the City operate the facility. Currently, the YMCA is conducting a marketing survey to determine what type of space people will use and are willing to pay for. The results of this study should be available in a couple of weeks.

Council Member Chang inquired whom this facility is going to serve, and how much money it will cost to use? She asked if the center is to serve the general public or those who can afford to pay? She indicated that she attended a meeting and that she had the impression that the seniors were planning this facility for their use (may not use the Community and Cultural Center). She said that she does not want to spend more than has already been budgeted, and does not want to duplicate the uses at the Community and Cultural Center or other facilities. She sees this as the only place that the City can include a gymnasium, and should therefore be included.

Council Member Carr asked if the decisions scheduled for November 28 would affect the program decisions for facilities?

City Manager Tewes stated that should the YMCA be chosen to operate the facility, this will affect the types of operation that would occur at the facility.

Council Member Tate felt that the Council needs to make a decision on how this facility will operate, and that it should include something that would supplement Senior Center operations.

Terri Nelson, representing the YMCA, gave a brief presentation on the East Valley YMCA facility. The facility was built by the YMCA for \$7.6 million under the prevailing wage law. This facility is proposed

at 40,000 square feet, including indoor pool with lanes, water slide, and shallow area; locker rooms, fitness rooms, a gymnasium with double courts, and a child care center. The plan for that facility may be adaptable to Morgan Hill's needs, and demonstrate what can be built within the current budget.

Mr. Struve commented that the YMCA can design and build facilities easier than the City can because they are not subject to the public bidding process which the City must follow. He requested that Council Members look at the construction pictures provided to review differences in construction.

Mayor Kennedy stated that the public is anxious to see the City move forward with the Visioning Projects, and that the Council must weigh moving expeditiously with need to avoid duplicating facilities. So far, the efforts of the City have been driven by availability of land. He recommended that the Council keep moving forward while avoiding duplication. This may require Council to delay final design decisions. He recommended that the Council proceed with the scheduled meeting on November 28, but then slow the process of making final decisions.

Council Member Carr stated that he would be agreeable to receive the reports on November 28, but that he will not be ready to make a final decision at that meeting. He is interested in having Nolan & Tam report on how cost recovery will be achieved, and what effect duplication of services will have on the survival of the competing facilities.

Recreation Manager Spier was asked by Mayor Kennedy to explain her vision of facilities like the Community and Cultural Center, and how this facility will fit with the Community Recreation Center. Ms. Spier felt that the title "Community and Cultural Center" defines the activities that will occur in this facility. This facility will be used more for dance and cultural activities. The Recreation Center is intended to be used for recreation activities, and would be used more for active, recreational activities. She stated that both seniors and youth want more active space, and felt that this space can be integrated in a Recreation Center. She felt that there is a need in Morgan Hill to make use both facilities.

City Manager Tewes stated that the focus at the November 28 meeting will be discussion of the business and operating models.

Actions: *By consensus, the City Council: 1) **Received** the Update on the Progress of the Preliminary Design Process; and 2) **Agreed** to receive the business and operating models on November 28.*

There being no further business, Mayor/Director Kennedy adjourned the workshop at 7:05 p.m.

CONVENE

Chairman/Mayor Kennedy convened the joint regular meeting of the Redevelopment Agency and Special City Council meeting at 7:10 p.m.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

At the invitation of Mayor/Chairman Kennedy, Julie Spier led the Pledge of Allegiance.

PUBLIC COMMENT

Mayor/Chairman Kennedy opened the floor to comments for items not on the agenda. No comments were offered.

CONSENT CALENDAR:

Redevelopment Agency Action

Vice-Chairman Carr requested that item 3 be removed from the Consent Calendar.

Action: *On a motion by Agency Member Tate and seconded by Agency Member Sellers, the Redevelopment Agency unanimously (5-0) **approved** Consent Calendar Item 2 as follows:*

2) **SEPTEMBER 2001 FINANCE AND INVESTMENT REPORT**

Action: *Accepted and Filed Report.*

3) **AGREEMENT WITH MORGAN HILL CHAMBER OF COMMERCE**

Sunday Minnich, Executive Director of the Morgan Hill Chamber of Commerce, presented a report on the activities of the Chamber of Commerce in developing new businesses in Morgan Hill. She felt the Chamber's relationship with the City is a partnership, and hopes to continue the good relationship.

Agency member Sellers agreed that the partnership is very worthwhile, and requested that the Chamber keep the Agency informed so that the Agency can monitor the City's return on investment. He requested that the Chamber take an active part in the Downtown Plan review, and that the agreement between the City and the Chamber on the Taste of Morgan Hill be clarified to prevent misunderstandings or confusion about costs involved.

Ms. Minnich stated that the Chamber will make sure that these issues are addressed and resolved. In response to an inquiry by Chairman Kennedy, Ms. Minnich informed the Agency Commission that the Chamber is working with the Small Business Development Center, which currently meets at the Gavilan campus site or the Chamber offices on a regular basis. She informed the Agency Commission that the Center will occupy space in the Community Center when it is completed.

Agency Member Tate requested that the Chamber meet with the Economic Development Committee.

Actions: *On a motion by Agency Member Sellers, and seconded by Agency Member Tate, the Agency Commission, on a 5-0 vote: 1) **Authorized** and **Directed** the Executive Director to prepare and Execute a Contractual Services Agreement with the Morgan Hill Chamber of Commerce in the Amount of \$90,000 for the FY 2001/2002.*

City Council Action

Action: *On a motion by Council Member Tate and seconded by Mayor Pro Tempore Sellers, the City Council unanimously (5-0) **approved** Consent Calendar Items 4-6 as follows:*

4) ADVANCED LIFE SUPPORT SERVICES

Actions: 1) Accepted Report from Santa Clara County Fire Department for Advanced Life Support (ALS) Services from July 2000 to July 2001; and 2) Directed Staff to Amend Fire Service Contract to Reflect Reimbursement Provisions Established in the New County of Santa Clara Emergency Medical Service Contract.

5) CONTRACT TO REDESIGN CITY WEBSITE

Actions: Authorized City Manager to Execute a Consultant Services Agreement for Redesign of the City Website at a Cost Not to Exceed \$25,000.

6) SPECIAL CITY COUNCIL MEETING MINUTES FOR OCTOBER 3, 2001

Action: Approved the Minutes as submitted.

Redevelopment Agency and City Council Action

CLOSED SESSIONS:

City Attorney/Agency Counsel Leichter announced the below listed closed session items.

1.

CONFERENCE WITH LEGAL COUNSEL - POTENTIAL AND EXISTING LITIGATION: CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Legal Authority: Government Code Sections 54956.8 & 54956.9(a) & (c) (1 potential case)
Real Property(ies) involved: APN 728-31-007 & 008; 25.50 acres located on the southwesterly side of Cochrane Road (St. Louise Hospital property)
City Negotiators: Council Members; City Manager; City Attorney; F. Gale Conner, special counsel; Rutan & Tucker, special counsel
Case Name: San Jose Christian College v. City of Morgan Hill
Case Numbers: Santa Clara County Superior, No. CV 799179; USDC Northern California No. C01-20857 RMW
Closed Session Topic: Potential Existing Litigation/Real Estate Negotiations
Attendees: Agency/Council Members; Executive Director/City Manager; City Attorney/Agency Counsel

2.

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant Exposure/Initiation of Litigation
Authority: Government Code Sections 54956.9(b) & (c)
Number of Potential Cases: 4

3.

CONFERENCE WITH LEGAL COUNSEL - REAL PROPERTY NEGOTIATOR

Legal Authority: Government Code 54956.8
Real Property Involved: 17.58 acre parcels located on the east side of Condit Road, bound by Condit Road, Tennant Avenue, Barrett Avenue and Murphy Avenue (APN 817-13-017)
Negotiating Parties:
For City/Agency: City Manager/Executive Director; City Attorney/Agency Counsel; Director of Business Assistance & Housing Services
For Property Owners: Virginia Lomanto Trustee
Closed Session Topic: Acquisition of Real Property

OPPORTUNITY FOR PUBLIC COMMENT

Chairman/Mayor Kennedy opened the closed session items to public comment. No comments were offered.

ADJOURN TO CLOSED SESSION:

Chairman/Mayor Kennedy adjourned the meeting to closed session at 7:32 p.m.

RECONVENE:

Chairman/Mayor Kennedy reconvened the meeting at 9:29 p.m.

CLOSED SESSION ANNOUNCEMENT:

Agency Counsel/City Attorney Leichter announced that no reportable action was taken on the above listed closed session items.

RECONVENED TO WORKSHOP (SEE AGENDA ITEM 1)

The City Council reviewed photo displays of other communities' indoor recreation centers.

Action: *The City Council **took** no action on this item.*

FUTURE AGENCY-INITIATED AGENDA ITEMS:

No items were identified.

ADJOURNMENT

There being no further business, Chairman/Mayor Kennedy adjourned the meeting at 10:05 p.m.

MINUTES RECORDED AND PREPARED BY:

MOIRA MALONE, Office Assistant II